

AN ORDINANCE 2006-06-29-0784

AUTHORIZING THE EXECUTION OF A LEASE AGREEMENT WITH VALERO CORPORATE SERVICES COMPANY FOR APPROXIMATELY 320,414 SQUARE FEET OF GROUND SPACE AT SAN ANTONIO INTERNATIONAL AIRPORT, FOR A TERM OF TWENTY YEARS AND ANNUAL RENT OF \$112,144.90, (SUBJECT TO EARNED RENT CREDITS AND ECONOMIC DEVELOPMENT INCENTIVES); APPROVING RENT CREDITS IN AN AMOUNT NOT TO EXCEED \$225,000.00 AS REIMBURSEMENT FOR DESIGN COSTS ASSOCIATED WITH THE EXTENSION OF TAXIWAY ROMEO AND OTHER SITE INFRASTRUCTURE IMPROVEMENTS, AND APPROVING ECONOMIC DEVELOPMENT INCENTIVES.

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WHEREAS, Valero Corporate Services Company ("Valero") is a current tenant at the San Antonio International Airport under Lease No. 124129; and

WHEREAS, Valero requires additional hangar space to increase efficiency of its corporate aviation service, and has requested that it be permitted to lease certain ground space located at the San Antonio International Airport and construct a new corporate hangar on this space in lieu of its current leased premises; and

WHEREAS, in order to facilitate and expedite the extension of the taxiway known as Taxiway Romeo, and certain perimeter road improvements and infrastructure improvements at the Airport that are necessary for Valero 's beneficial use of the new Leased Premises within certain time parameters, Valero has agreed to contract for and pay the cost of conducting certain geotechnical, survey, engineering, design, construction management, and contract administration services associated with the extension, perimeter road improvements and infrastructure improvements; and

WHEREAS, the City has agreed to provide reimbursement in the form of future rent credits to Valero for such costs during the term of this Lease Agreement, as more particularly described below; and

WHEREAS, the Lease Agreement contains provisions for capital improvements to be completed by Valero on the Leased Premises and upon completion provides for economic incentives in the form of ground rental abatement; and

WHEREAS, it is in the best interests of the City to enter into a new Lease Agreement in order to effectuate the agreement of the parties as to these matters; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Manager or her designee is authorized to execute the San Antonio International Airport Lease Agreement, which is attached hereto as Attachment 1 for ground rental at the San Antonio International Airport.

SECTION 2. The proceeds of this Lease Agreement will be deposited into SAP Fund No. 51001000, entitled "Airport Operations" Internal Order 223000000004, and General Ledger Account 4409040 entitled "Aviation Ground Rental Non-Aviation".

SECTION 3. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager or the City Manager's designee, correct allocation to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 4. This Ordinance shall be effective on or after the tenth (10th) day after passage.

PASSED AND APPROVED this 29th day of June, 2006.



M A Y O R

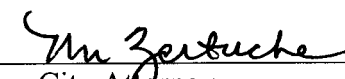
PHIL HARBERGER

ATTEST:



City Clerk

APPROVED AS TO FORM:



for City Attorney